

ATTACHMENT IV
GUIDELINES AND FORM FOR SUBCONTRACTING PLANS

I171 SMALL BUSINESS SUBCONTRACTING PLAN (OCT 2000)

- (a) This clause does not apply to small business concerns.
- (b) **DEFINITIONS.** As used in this clause--
 - (1) **Commercial item** means a product or service that satisfies the definition of commercial items in section 2.101 of the Federal Acquisition Regulation.
 - (2) **Commercial plan** means a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the entire company or a portion thereof (e.g., division, plant, or product line).
 - (3) **Individual contract plan** means a subcontracting plan that covers the entire contract period (including option periods), applies to a specific contract, and has goals that are based on the offeror's planned subcontracting in support of the specific contract, except that indirect costs incurred for common or joint purposes may be allocated on a prorated basis to the contract.
 - (4) **Master plan** means a subcontracting plan that contains all the required elements of an individual contract plan, except goals, and may be incorporated into individual contract plans, provided the master plan has been approved.
 - (5) **Subcontract** means any agreement (other than one involving an employer-employee relationship) entered into by a Federal Government prime Contractor or subcontractor calling for supplies or services required for performance of the contract or subcontract.
- (c) The offeror, upon request by the Contracting Officer, shall submit and negotiate a subcontracting plan, where applicable, that separately addresses subcontracting with small business, **veteran-owned small business**, HUBZone small business, small disadvantaged business, and women-owned small business concerns. If the offeror is submitting an individual contract plan, the plan must separately address subcontracting with small business, **veteran-owned small business**, HUBZone small business, small disadvantaged business, and women-owned small business concerns with a separate part for the basic contract and separate parts for each option (if any). The plan shall be included in and made a part of the resultant contract. The subcontracting plan shall be negotiated within the time specified by the Contracting Officer. Failure to submit and negotiate the subcontracting plan shall make the offeror ineligible for award of a contract.
- (d) The offeror's subcontracting plan shall include the following:
 - (1) Goals, expressed in terms of percentages of total planned subcontracting dollars, for the use of small business, **veteran-owned small business**, HUBZone small business, small disadvantaged business, and women-owned small business concerns as subcontractors. **Service-disabled veteran-owned small business concerns meet the definition of veteran-owned small business concerns. A separate goal for service-disabled veteran-owned small business concerns is not required.** The offeror shall include all subcontracts that contribute to contract performance, and may include a proportionate share of products and services that are normally allocated as indirect costs.
 - (2) A statement of --
 - (i) Total dollars planned to be subcontracted for an individual contract plan; or the offeror's total projected sales, expressed in dollars, and the total value of projected subcontracts to support the sales for a commercial plan;
 - (ii) Total dollars planned to be subcontracted to small business concerns;
 - (iii) **Total dollars planned to be subcontracted to veteran-owned small business concerns; and**
 - (iv) Total dollars planned to be subcontracted to HUBZone small business concerns; and
 - (v) Total dollars planned to be subcontracted to small disadvantaged business concerns; and
 - (vi) Total dollars planned to be subcontracted to women-owned small business concerns
 - (3) A description of the principal types of supplies and services to be subcontracted, and an identification of the types planned for subcontracting to--
 - (i) Small business concerns;
 - (ii) **Veteran-owned small business concerns,**
 - (iii) HUBZone small business concerns;
 - (iv) Small disadvantaged business concerns;
 - (v) Women-owned small business concerns.
 - (4) A description of the method used to develop the subcontracting goals in paragraph (d)(1) of this clause.
 - (5) A description of the method used to identify potential sources for solicitation purposes (e.g., existing company source lists, the Procurement **Marketing & Access Network (PRO-Net)** of the Small Business Administration, **veterans service organizations**, the National Minority Purchasing Council Vendor Information Service, the Research and Information Division of the Minority Business Development Agency in the Department of Commerce, or small, **HUBZone**, small

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disadvantaged and women-owned small business concerns trade associations). A firm may rely on the information contained in **PRO-Net** as an accurate representation of a concern's size and ownership characteristics for purposes of maintaining a small, **veteran-owned small, HUBZone small, small disadvantaged, and women-owned small** business source list. Use of **PRO-Net** as its source list does not relieve a firm of its responsibilities (i.e., outreach, assistance, counseling, publicizing subcontracting opportunities) in this clause.

(6) A statement as to whether or not the offeror included indirect costs in establishing subcontracting goals, and a description of the method used to determine the proportionate share of indirect costs to be incurred with--

- (i) Small business concerns;
- (ii) **Veteran-owned small business concerns,**
- (iii) HUBZone small business concerns;
- (iv) Small disadvantaged business concerns, and
- (v) Women-owned small business concerns.

(7) The name of the individual employed by the offeror who will administer the offeror's subcontracting program, and a description of the duties of the individual.

(8) A description of the efforts the offeror will make to assure that small business, **veteran-owned small business,** HUBZone small business, small disadvantaged business, and women-owned small business concerns have an equitable opportunity to compete for subcontracts.

(9) Assurances that the offeror will include the clause in this contract entitled UTILIZATION OF SMALL BUSINESS CONCERNS in all subcontracts that offer further subcontracting opportunities, and that the offeror will require all subcontractors (except small business concerns) that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction of any public facility) to adopt a plan similar to the plan that complies with the requirements of this clause.

(10) Assurances that the offeror will--

- (i) Cooperate in any studies or surveys as may be required;
- (ii) Submit periodic reports so that the Government can determine the extent of compliance by the offeror with the subcontracting plan;
- (iii) Submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontract Report, **in accordance with** paragraph (j) of this clause. **The reports shall provide information on subcontract awards to small business concerns, veteran-owned small business concerns, service-disabled veteran-owned small business concerns, small disadvantaged business concerns, women-owned small business concerns, and Historically Black Colleges and Universities and Minority Institutions. Reporting shall be in accordance with the instructions on the forms or as provided in agency regulations.**

(iv) Ensure that its subcontractors agree to submit SF 294 and SF 295.

(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, **veteran-owned small business,** HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

(i) Source lists, (e.g., PRO-Net), guides, and other data that identify small business, **veteran-owned small business,** HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(ii) Organizations contacted in an attempt to locate sources that are small business, **veteran-owned small business,** HUBZone small business, small disadvantaged business, or women-owned small business concerns.

(iii) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating--

- (A) Whether small business concerns were solicited and if not, why not;
- (B) **Whether veteran-owned small business concerns were solicited and if not, why not;**
- (C) Whether HUBZone small business were solicited and if not, why not;
- (D) Whether small disadvantaged business concerns were solicited and if not, why not;
- (E) Whether women-owned small business concerns were solicited and if not, why not, and
- (F) If applicable, the reason award was not made to a small business concern.

(iv) Records of any outreach efforts to contact--

- (A) Trade associations;
- (B) Business development organizations,
- (C) Conferences and trade fairs to locate small, HUBZone small, small disadvantaged, and women-owned small business sources; **and**

(D) **Veterans service organizations.**

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- (v) Records of internal guidance and encouragement provided to buyers through--
 - (A) Workshops, seminars, training, etc., and
 - (B) Monitoring performance to evaluate compliance with the program's requirements.
- (vi) On a contract-by-contract basis, records to support award data submitted by the offeror to the Government, including the name, address, and business size of each subcontractor. Contractors having commercial plans need not comply with this requirement.
- (e) In order to effectively implement this plan to the extent consistent with efficient contract performance, the Contractor shall perform the following functions:
 - (1) Assist small business, **veteran-owned small businesses**, HUBZone small business, small disadvantaged business, and women-owned small business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation by such concerns. Where the Contractor's lists of potential small business, **veteran-owned small business**, HUBZone small business, small disadvantaged business, and women-owned small business subcontractors are excessively long, reasonable effort shall be made to give all such small business concerns an opportunity to compete over a period of time.
 - (2) Provide adequate and timely consideration of the potentialities of small business, **veteran-owned small business**, HUBZone small business, small disadvantaged business, and women-owned small business concerns in all "make-or-buy" decisions.
 - (3) Counsel and discuss subcontracting opportunities with representatives of small business, **veteran-owned small business**, HUBZone small business, small disadvantaged business and women-owned small business firms.
 - (4) Provide notice to subcontractors concerning penalties and remedies for misrepresentations of business status as small, **veteran-owned small**, HUBZone small, small disadvantaged, or women-owned small business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's subcontracting plan.
- (f) A master plan on a plant or division-wide basis that contains all the elements required by paragraph (d) of this clause, except goals, may be incorporated by reference as a part of the subcontracting plan required of the offeror by this clause; provided--
 - (1) The master plan has been approved;
 - (2) The offeror ensures that the master plan is updated as necessary and provides copies of the approved master plan, including evidence of its approval, to the Contracting Officer; and
 - (3) Goals and any deviations from the master plan deemed necessary by the Contracting Officer to satisfy the requirements of this contract are set forth in the individual subcontracting plan.
- (g) *A commercial plan is the preferred type of subcontracting plan for contractors furnishing commercial items. The commercial plan shall relate to the offeror's planned subcontracting generally, for both commercial and Government business, rather than solely to the Government contract. Commercial plans are also preferred for subcontractors that provide commercial items under a prime contract, whether or not the prime Contractor is supplying a commercial item.*
- (h) Prior compliance of the offeror with other such subcontracting plans under previous contracts will be considered by the Contracting Officer in determining the responsibility of the offeror for award of the contract.
- (i) The failure of the Contractor or subcontractor to comply in good faith with--
 - (1) The clause of this contract entitled UTILIZATION OF SMALL BUSINESS CONCERNS; or
 - (2) An approved plan required by this clause, shall be a material breach of the contract.
- (j) **The Contractor shall submit the following reports:**
 - (1) **Standard Form 294, Subcontracting Report for Individual Contracts.** *This report shall be submitted to the Contracting Officer semiannually and at contract completion. The report covers subcontract award data related to this contract. This report is not required for commercial plans.*
 - (2) **Standard Form 295, Summary Subcontract Report.** This report encompasses all the contracts with the awarding agency. It must be submitted semiannually for contracts with the Department of Defense and annually for contracts with civilian agencies. If the reporting activity is covered by a commercial plan, the reporting activity must report annually all subcontract awards under that plan. All reports submitted at the close of each fiscal year (both individual and commercial plans) shall include a breakout, in the Contractor's format, of subcontract awards, in whole dollars, to small disadvantaged business concerns by **North American Industry Classification System (NAICS) Industry Subsector**. For a commercial plan, the Contractor may obtain from each of its subcontractors a predominant **NAICS Industry Subsector** and report all awards to that subcontractor under its predominant **NAICS Industry Subsector**.

(FAR 52.219-9)

SMALL BUSINESS, VETERAN-OWNED SMALL BUSINESS, HUBZONE SMALL BUSINESS, SMALL DISADVANTAGED BUSINESS, WOMEN-OWNED SMALL BUSINESS, VETERAN-OWNED, OR DISABLED VETERAN-OWNED SMALL BUSINESS COMMERCIAL SUBCONTRACTING PLAN

DATE _____
CONTRACTOR _____
ADDRESS _____

EFFECTIVE PERIOD OF COMMERCIAL PLAN: _____

The following, along with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Public Laws 95-507 and 99-661, and paragraph (d) of FAR Clause 52.219-9, Small Business Subcontracting Plan. Commercial Plan is defined as a subcontracting plan (including goals) that covers the offeror's fiscal year and that applies to the entire production of commercial items sold by either the company or a portion thereof (e.g. division, plant or product line).

Part I Subcontracting Goals: *(Subcontracting goals should be identified in both dollars subcontracted and percentage of subcontracted dollars)*

(1) Total projected sales:

(2) Total dollars planned to be subcontracted : \$ _____

(3) Total dollars planned to be subcontracted to each of the categories:

(i) **Small Business (SB) concerns:** _____ planned subcontracting dollars targeted to subcontractors who are **SB** concerns.

(ii) **Veteran-Owned (VOSB) Small Business concerns:** _____ planned subcontracting dollars targeted to subcontractors who are Veteran-Owned Small Business concerns.

(iii) **HUBZone Small Business (HSB) concerns:** _____ planned subcontracting dollars targeted to subcontractors who are **HSB** concerns.

(iv) **Small Disadvantaged Business (SDB) concerns:** _____ planned subcontracting dollars targeted to subcontractors who are **SDB** concerns.

(v) **Women-Owned Small Business (WOSB) concerns:** _____ planned subcontracting dollars targeted to subcontractors who are **WOSB** concerns.

(4) Percentage of total dollars planned to be subcontracted (*The following percentage goals expressed in terms of the percentage of total planned subcontracting dollars, are applicable to this commercial subcontracting plan. Included are all subcontracts that contribute to contract performance and may include a proportionate share of products and services that are normally allocated as indirect costs*).

(i) **Small Business (SB) concerns:** _____% of total planned subcontracting dollars targeted to subcontractors who are **SB** concerns.

(ii) **Veteran-Owned (VOSB) Small Business concerns:** _____% of total planned subcontracting dollars targeted to subcontractors who are Veteran-Owned Small Business concerns.

(iii) **HUBZone Small Business (HSB) concerns:** _____% of total planned subcontracting dollars targeted to subcontractors who are **HSB** concerns.

(iv) **Small Disadvantaged Business (SDB) concerns:** _____% of total planned subcontracting dollars targeted to subcontractors who are **SDB** concerns.

(v) **Women-Owned Small Business (WOSB) concerns:** _____% of total planned subcontracting dollars targeted to subcontractors who are **WOSB** concerns.

(5) Description of Principal Types of Supplies and/or services to be subcontracted:
(indicate types planned for each category of small business)

(i) **Small Business concerns:** _____

(ii) **Veteran-Owned Small Business concerns:** _____

(iii) **HUBZone Small Business concerns:** _____

(iv) **Small Disadvantaged Business concerns:** _____

(v) **Women-Owned Small Business concerns:** _____

(6) Describe the method used to develop these goals. (*for example, based on procurement history, available resources, etc.*).

(7) Indirect Costs

(i) Were indirect costs included in establishing these goals? Yes___ No___

(ii) If Yes, describe the method used to determine the proportionate share of indirect costs to be incurred with—

(A) SB concerns:_____

(B) VOSB concerns:_____

(B) HSB concerns:_____

(C) SDB concerns:_____

(D) WOSB concerns:_____

Part II Subcontracting Procedures:

(1) Program Administration

(i) **Individual:** The individual who will administer the offeror's subcontracting program:

Name _____
Address _____
Phone number _____
Title _____

(ii) **Duties:** The individual's specific duties, as they relate to the firm's subcontracting program, are listed below. The individual is generally responsible for this company's Small Business program, for the development, preparation, and execution of subcontracting plans, and for monitoring performance relative to contractual requirements contained in this plan, including but not limited to (*Include additional duties the company has designated*)

- A. Assuring inclusion of SB, VOSB, HSB, SDB, and WOSB concerns in all solicitations for products or services that they are capable of providing.
- B. Reviewing solicitations to remove statements, clauses, etc., that may tend to restrict or prohibit SB, VOSB, HSB, SDB, and WOSB concerns' participation
- C. Ensuring that the bid proposal review board documents its reasons for not selecting low bids submitted by SB, VOSB, HSB, SDB, and WOSB concerns.
- D. Monitoring attainment of proposed goals.
- E. Attending or arranging for attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.
- F. Conducting or arranging for conduct of motivational training for purchasing personnel pursuant to the intent of Public Law 95-507.
- G. **Identify additional duties:**

Part II Subcontracting Procedures (con't):

(2) Describe methods used to identify potential sources for solicitation purposes:

(i) Existing company source list

(ii) SBA Procurement Marketing & Access Network (PRONet)

(iii) National Minority Purchasing Council Vendor Information Service

(iv) Trade Associations

(v) Federal Government Development Centers such as Procurement Technical Assistance centers (PTAC), the Small Business Administration's Small Business Development centers (SBDC) and the Department of Commerce's Minority Business Development Centers (MBDC)

(vi) Other

(3) Describe the methods used to assure Small Business, Veteran-Owned Small Business, HUBZone Small Business, Small Disadvantaged Business and Women-Owned Small Business concerns are provided an equitable opportunity to compete. (i.e. developing and maintaining bidders' lists of SB, VOSB, HSB, SDB, and WOSB concerns from all possible sources, ensuring that procurement packages are structured to permit SB, VOSB, HSB, SDB, and WOSB concerns to participate to the maximum extent possible)

PART III Subcontracting Plan Management:

The offeror certifies, by signature on this plan, that the following procedures regarding management of this Subcontracting Plan will be enacted and maintained. As such, the Contractor agrees to provide:

- (1) Assistance to Small, HUBZone Small, Small Disadvantaged and Women-Owned Small Business concerns by arranging solicitations, time for the preparation of bids, quantities, specifications and delivery schedules so as to facilitate participation by such concerns.
- (2) Adequate and timely consideration of the potentialities of Small, HUBZone Small, Small Disadvantaged and Women-Owned Small Business concerns in all "make or buy" decisions.
- (3) Counsel and discuss subcontracting opportunities with representatives of Small, HUBZone Small, Small Disadvantaged and Women-Owned Small Business concerns.
- (4) Emphasis and notice to subcontractors of the penalties and remedies for misrepresentations of business status for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the Contractor's Subcontracting Plan.
- (5) Assurance that the clause entitled "Utilization of Small Business Concerns" (latest revision) contained in the referenced solicitation, will be included in all subcontracts that offer subcontracting opportunities and that all large business subcontractors receiving subcontracts in excess of \$500,000 will adopt a plan similar to this plan.
- (6) Periodic subcontracting reports required (\$1,000,000 for construction of any public facility) to adopt a plan that complies with the requirements of the clause.
- (7) Assurances that the offeror will—
 - (a) Cooperate in any studies or surveys as may be required.
 - (b) Submit periodic reports in order that the Government can determine the extent of compliance by the offeror with the subcontracting plan.
 - (c) Submit Standard Form (SF) 294, Subcontracting Report for Individual Contracts, and/or SF 295, Summary Subcontract Report, following the instructions either on the forms or as provided in agency regulations.
 - (d) Ensure that its subcontractors agree to submit SF 294 and SF 295.
- (8) Records of solicitations and subcontract activity and include a description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists, and a description of the offeror's effort to locate SB, HSB, SDB, WOSB concerns and award subcontracts to them. The records shall include at least the following, on a plan-wide or company-wide basis, unless otherwise indicated:

- (a) Source lists (e.g., PRO-Net), guides, and other data that identify SB, HSB, SDB, and WOSB concerns.
- (b) Organizations contacted in an attempt to locate sources that are SB, HSB, SDB, and WOSB concerns.
- (c) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating—
 - (1) Whether SB concerns were solicited and if not, why not;
 - (2) Whether VOSB concerns were solicited and if not, why not;
 - (3) Whether HSB concerns were solicited and if not, why not;
 - (3) Whether SDB concerns were solicited and if not, why not;
 - (4) Whether WOSB concerns were solicited and if not, why not; and
 - (5) If applicable, the reason award was not made to a SB concern.
- (d) Records of any outreach efforts to contact—
 - (1) Trade associations;
 - (2) Business development organizations; and
 - (3) Conferences and trade fairs to locate SB, HSB, SDB, and WOSB sources.
- (e) Records of internal guidance and encouragement provided to buyers through—
 - (1) Workshops, seminars, training, etc.; and
 - (2) Monitoring performance to evaluate compliance with the program's requirements.
- (f) On a contract-by-contract basis, supporting information for award data submitted by the contractor to the Government, including the name, address and business size of each subcontractor.

Part IV Approval Signatures:

A. Offeror's Agreement:

OFFEROR'S SIGNATURE

TYPED NAME AND TITLE

DATE

B. Contracting officer's determination of Acceptance:

CONTRACTING OFFICER

DATE

C. Approval two levels above the Contracting Officer if the SDB goal is less than 5%:

SIGNATURE

TITLE

DATE

D. Concurrence/Nonconcurrence of Small Business Office:

Concur:

Small Business Specialist signature

DATE

Nonconcur:

Small Business Specialist signature

DATE

Rationale for nonconcurrence: